

DISPATCH

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OIS

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S E C R E T

TO

Chief, European Division

XXX

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FROM

MICROFILM

SUBJECT

Field Performance Report

ACTION REQUIRED - REFERENCES

Reference: DIRECTOR-594750

1. Forwarded via split transmission is the semi-annual Performance Report for the period 1 April 1974 through 30 September 1974.

2. We have adhered as closely as possible to the guidance provided in DON-F-230-3, and have tried to cover all points specified therein. At the same time, we have in the main body of the report attempted to relate data and comments stringently to objectives in the Operating Directive. On both counts we confronted some difficulties and perplexing alternatives.

3. On the one hand, to cover thoroughly each applicable point and complexity would have resulted in a document of unconscionable length. For example, operational climate, cover considerations, and relations with other official representation all vary with each locale. And on certain other points as well, diverse factors impose distinctly different features. Nevertheless, to take a useful measure of what as a whole has accomplished, we thought it advisable to prepare a composite report reflecting the activity as a single entity. Where appropriate, therefore, we have melded together all comments without violating substance, while, where clearly necessary, we have catalogued contributions pretty much as submitted, even at the expense of brevity. On the other hand, rigid

/CONTINUED/

Attachments: H/W & USC

- 1.- Semi-Annual Report, right side h/w
- 1.- Semi-annual Report, left side usc

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S E C R E T

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response to the Operating Directive as it stands (it omits whole areas of activity such as operations against third country non-Communist targets and [] regional ops support activities) would have produced an incomplete picture [] activities. Therefore, we have opted for the middle course--to cover everything of significance at reasonable length. Where questions arose along that course, we chose to include rather than to omit detail. The result is a less compact and cohesive report than we would have liked. In short, the report bears some of the characteristics of a pilot exercise, while, we are sure, fulfilling its essential purpose. Undoubtedly, with the benefit of this experience and subsequent critique we can do better next time.

4. In addition to the attached report separate FPR annexes are being cabled. The activity and productivity [] can be judged fully only after inclusion of this information in the evaluation process. These annexes were cabled under the following numbers: [] 1361, [] 1362, [] 1363, [] 1364, [] 1365, [] 1366, [] 35521, [] 109 through [] 114.

SOVIET UNION - COLLECTION (OBJECTIVE A-1)

A. []

In West Germany there is a significant number of attractive Soviet targets, a favorable operational climate, and enough BKHERALD manpower and resources [] to carry out an intensive operational program aimed at the recruitment of a Soviet official. [] has made progress in this program, and although there has been no significant breakthrough in West Germany during this period, [] are in a position to achieve such a breakthrough in the foreseeable future. In addition, [] has shown for the first time the ability to run Soviet operations in East Berlin.

B. []

1. General. In addition to a number of operations involving the use of access agents and some direct staff contact, [] also showed imagination and determination in gaining access to a senior Soviet official who had been identified by Headquarters as a promising target (AEDRAFT), however with inconclusive results due to his PCS departure. [] also continued the frustratingly slow progress of cultivating another Soviet official (AETOMHEE) to the point of giving him significant sums of money in exchange for information reports. This development stopped short of full recruitment because of uncertainty as to how the ^{preliminary} Soviet would react; however, he agreed to future contact when he again returns PCS to the West. We believe the development of this case demonstrates mature judgement and patience and augurs well for the future [] The primary technique used [] in its Soviet program is the use of access agents.

2. Progress.

(a) Audio. Unilateral telephone tap of the apartment of a Soviet primary target (AERUM) was made in April. It has provided insight into the nature and extent of AERUM's German contacts.

(b) Newly Recruited Agents.

(1) A 70-year old German (native Russian) translator (CATOMIC/70) for a German firm, with many contacts in the Soviet Trade Mission (STM). He is a potential access agent to AEOBSTACLE.

(2) A 36-year old German female employed by the Federal Press Office (CATOMIC/80) with extensive but as yet rather superficial contact with Soviet, Soviet Bloc, and other foreign journalists.

(3) A 23-year old German female interpreter and language student recruited as an access agent to AEGRUDGE (CATOMIC/82). *Going to return soon*

(c) Major Accomplishments.

(1) A 44-year old Soviet journalist (AETOWHEE). Case officer [] held six meetings with him during the period. AETOWHEE indicated an interest in earning extra money and concerted efforts were made to entice AETOWHEE to accept an introduction to another staff officer, and to have AETOWHEE provide information of sufficient importance to justify, given the cover circumstances, a significant bonus. While tempted by the offer, AETOWHEE refused. However, at the final meeting before his PCS departure to the USSR in July, AETOWHEE agreed to occasional personal contact with [] in the future and said he was willing to resume their relationship when he is posted to the West again.

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(2) In early April, the phone of a 45-year old journalist and probable KGB officer (AEHUM) was unilaterally tapped from the apartment of access agents CATONISS/40 and /41 below. AEHUM was invited to a housewarming party by the latter agents, who introduced staff officer [] to AEHUM. Subsequent attempts to deepen [] relationship with AEHUM were unsuccessful. Due to complications in their personal lives, CATONISS/40 and /41 were unable to devote sufficient time to deepening a relationship with AEHUM. In September, UNSONNET-1 (formerly CATOMIC-50) reestablished her intimate affair with AEHUM, at our request, and provided us an updated assessment of his mood and personal situation.

(3) Plans to drop 28-year old Soviet journalist and known KGB officer (AECAPRI) as a primary target (because of inaccessibility and no known susceptibilities) were changed upon receipt of a special request from Headquarters for a physical survey of AECAPRI's apartment. AECAPRI's downstairs neighbor (and a LCJUNCO code clerk), (EXMESSAGE-1) was recruited to cooperate against AECAPRI. A surreptitious entry of AECAPRI's apartment mounted from EXMESSAGE-1's apartment, was accomplished in September. A target survey of the apartment was made against the possibility of a future audio operation.

(4) After an unsuccessful recruitment approach had been made to a female official (CATOMIC-78) in a quasi-governmental West German research organization in order to exploit her excellent and frequent contact with a 34-year old known KGB officer (AEDARE), another route was tried in efforts to approach AEDARE. A West German city planner (CATOMIC-56) walked into the Soviet Embassy at our direction and established contact with AEDILL, a Soviet S&T officer and member of AEDARE's section. Investigative assets have begun neighborhood work against AEDILL. A Soviet dissident writer and emigre (AERUSH) and friend of AEDARE had a series of three meetings in May which confirmed AEDARE was still friendly and willing to talk with AERUSH. AERUSH returned

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for a series of two meetings in September, but AEDARE flatly refused to meet an American contact proposed by AERUSH. There were indications that AERUSH was not fully cooperative during this last series of meetings. No further use of AERUSH is planned.

(5) Headquarters nominated a 52-year old senior military official and known GRU officer (AEDRAFT) as an operational lead directly to [] on basis of AESTORAGE information that AEDRAFT was believed to be recruitable by American intelligence, if approached in a friendly manner. Targetting of AEDRAFT which was assigned [] was complicated because of the political sensitivity of AEDRAFT's position as chief of a Soviet Military Liaison Mission and the fact that the operation had to be conducted almost in a denied area atmosphere. Headquarters spotted a potential access agent, who was a one-time contact of AEDRAFT at a former post abroad. The access agent was approached and recruited with the assistance of [] The access agent contacted AEDRAFT at our direction and, while rebuffed, was able to lay the groundwork for the later introduction of a staff officer from Headquarters, [] established himself in the target area [] and was introduced to AEDRAFT at an official function hosted by the Chief of the U.S. Liaison Office. [] was able to have a private conversation with AEDRAFT and passed the latter the means by which AEDRAFT could establish contact with [] AEDRAFT returned PCS to the Soviet Union in October without making a discernible effort to follow up [] contact and has been dropped as a primary target.

(6) A Soviet trade official and known GRU officer (AEOBSTACLE) was assigned to the Calicut [] June, after having been a primary target [] during a previous posting there. Two [] INATTIC/1 and /2 have developed an intense business relationship with AEOBSTACLE over the past few years which has demonstrated AEOBSTACLE's venality. With the cooperation [] the INATTICs are responsive to [] direction against AEOBSTACLE. They visited AEOBSTACLE in Cologne during September following which [] officer made a personal

assessment of the INATTICs, who are indeed a clever and capable couple. Since AEOBSTACLE is so recently arrived, no other access to him has yet been developed.

(7) In early May a report was received from a refugee official in Munich that a "Soviet General" visiting the Hannover Air Show (subsequently encrypted AEFINDER) was interested in defecting if his relatives could be evacuated. Although a series of investigative and operational efforts failed to corroborate the above information or identify the General, our efforts led us to a 52-year old Soviet aviation writer (AEGRUDGE), who was in contact with a young German girl (CATOMIC/82), to whom he seemed to be physically attracted. This girl was later identified, after an investigation leading all over Germany and to Italy, and recruited first as a general support asset and later as an access agent to AEGRUDGE, when she revealed her relationship with him.

(d). Terminations.

Some fourteen assets were terminated or transferred during the period, in line with our plans to prune the activity (CATOMIC) supporting [] efforts against the Soviet and Soviet Bloc targets.

3. Current Capability.

(a). There currently are fourteen active CATOMIC assets who have direct and frequent contact with various Soviet officials. They are a female German free-lance journalist (CATOMIC/6); a wholesaler for a German jewelry manufacturer with good Soviet contacts (CATOMIC/23); German architect and city planner in contact with AEDILL (CATOMIC/36 and wife CATOMIC/81); a German executive secretary and her boyfriend, a German medical doctor and surgeon in contact with AEHUM (CATOMIC/40 and CATOMIC/41); an independent German real estate agent much used by Soviet Embassy (CATOMIC/47); a German businessman whose firm deals closely with STM (CATOMIC/52); a former Egyptian, now stateless, journalist assigned to Federal Press and Information Office in Bonn in contact with several Soviet journalists (CATOMIC/75); an American employed as an optical equipment sales manager who travels regularly to the USSR (CATOMIC/76); a young German journalist and infrequent contact of AECAPRI (CATOMIC/77); an interpreter/translator for a German firm with STM contacts (CATOMIC/79); a girl Friday in Federal Press Office section charged with care and feeding of

foreign journalists (CATOMIC/80); and a female German interpreter and language student in contact with AEGRUDGE (CATOMIC/82). In addition to the above, there are four ?? support and tracking assets. Also, there are a number of assets targeted primarily against the host country (Objective K 1), who report on their contacts with the Soviets.

(b) Audio Operations.

C-40/41

There are currently two audio operations directed against the Soviets [] and both of these are against the residence of primary target AEHUM. One is a mike and wire installation in AEHUM's bedroom and dining room and the second is the unilateral telephone tap of his phone. Both operations were mounted only after we had reporting from several access agents in contact with AEHUM to fill a gap in our knowledge of the target. The audio installation is now dormant but can be reactivated as needed. After AETOWHEE's return to Moscow in July, we terminated the masked transmitter audio installation which was designed to make a verbatim record of the case officer's meetings with AETOWHEE.

(c) Reporting.

(1) [] Assets in contact with Soviets have contributed to six disseminated reports rated significant and four regular reports toward fulfilling OD Objective A 1 A. Three already existing Base assets (CAEXCEL, CASTENO, and CAGARRET) have experienced new and/or intensified contacts by Soviets and have provided disseminable FI information on Soviet policy vis-a-vis the FRG as a result. In most of these cases, the assets are targetted primarily against the host country (Objective K 1 A) and are of interest to the Soviets essentially for at least one of the same reasons they are of operational value to BKHERALD, i.e., because they are involved with FRG political affairs, especially as they can affect the USSR. A large gap exists nonetheless in [] coverage of Soviet agent-of-influence activities among politicians in the national capital. [] Efforts to obtain the cooperation of SPD Bundestag members in reporting on their contacts with Soviets were set back seriously during this period--after initial promising progress--due to the fact these efforts came to the attention of a major SPD figure (CARPET).

(2) Limited reporting on CPSU activity relative to Czechoslovakia, Western European communist parties, and other East European countries (in that descending order of significance) is received from DIDOUBT. One report on CPSU plans for control of the international communist movement was disseminated; two other reports were pending at Headquarters at the end of the period. Although useful for background information, formal dissemination value of much of the reporting from DIDOUBT is limited by lack of subsourcing data from denied-area contacts and his inability to hold discussions with pro-CPSU communists.

(d) Capability.

In addition the complement of access agents and reporting sources with Soviet contacts, [] has the following assets and capabilities for use against our objective:

(1) Teletap Coverage. The internal German service (CAWHISPER) supplies us with potential teletap coverage on virtually every telephone line coming into Soviet installations. We currently receive 19 lines and process approximately 10 to 20 per cent of this take with our present complement of three transcribers. This coverage is extremely important for our activity against this objective, since it is our main window onto the Soviet community and supplies us with almost all of our leads to individuals with Soviet contacts.

(2) In addition we have the following operational support assets for employment against Objective A1 as well as the other OD Objectives:

a) Two experienced private detectives (CACHIN/ 119 and /120 own their own firm and are fully responsive to our investigative requirements, which they service and cover under their firm's activity. They are also adept at role-playing, pretext interviewing, and a number of other operational activities.

b) A 61-year old German businessman and entrepreneur (CAMETRIC) extremely adept as a door-to-door operational support asset, pretext interviewer, "product tester," etc. His activities permit preliminary assessment of individuals of operational interest prior to the introduction of an American officer.

(3) Surveillance. [] maintains four radio-equipped surveillance cars, plus one surveillance van with clandestine photo capability. [] has six G.E. portomobile transceivers and two Kelcom transceivers for body wear. All staff officers and clericals are surveillance trained and participate on a rotational basis. CACHIN/119 and /120 form the nucleus of an indigenous surveillance team.

(4) Fixed observation. [] has an observation post (OP) with closed-circuit TV and photo capability opposite the Soviet Embassy residential high-rise, and an OP with photo-capability opposite the STM residential high-rise and site of the about-to-be-opened new STM building.

4. Plans.

(a). Primary Targets.

(1) We will concentrate on introducing a staff officer to AEHUM, and will follow up various access agent leads to him. We will make one final effort to involve CATOMIC/41 with AEHUM.

(2) We will target and attempt to recruit EXMESSAGE/1's successor in the apartment under AE-
CAPRI, to make apartment available for audio installation and/or another surreptitious entry.

A Had-
AEDARE

(3) We will attempt to establish alternate access to AEDARE following the lack of success through AERUSH. Of primary importance is the introduction of a staff officer to test the accuracy of AERUSH's voluminous reporting on AEDARE.

(4) We will continue to direct and attempt to capitalize on the INATTICs access to AEOBSTACLE, but in the meantime we will attempt to develop alternate access to him.

(b) We will attempt further access to AEDILL to determine his suitability for selection as a primary target.

(c) We will select certain officers to initiate direct contact operations with Soviet officials. We are especially interested in contact with some of the younger Soviets especially in view of the fact that many of our primary targets in recent years have been over thirty-five and the results of cultivating

them have not been significant.

(d) We will make a major effort in coming months to use more effectively the large American official community for our operational purposes. While recognizing that this will take considerable tact and diplomacy, we will try to capitalize on some of LNFALL's and LNLUE's contact with Soviets and Soviet Bloc nationals in a way which will be non-competitive and non-threatening to their own objectives.

(c) AEEASY. We will attempt to initiate a contact with AEEASY, a formerly well-connected Soviet communist academician now resident in Munich, to determine his willingness to initiate a dialogue and, if so, to reappraise his bona fides. From the late fifties until his move to the FRG in the late sixties, AEEASY was a significant "unofficial" spokesman and negotiator for the CPSU in Moscow.

PERFORMANCE REPORTPeriod 1 April - 30 September 1974LESSER COMMUNIST STATES--COLLECTION (Objective C1)OTHER EASTERN EUROPEAN STATES (Objective C1B)A. General.

There is no [] Soviet Bloc human target program as such, but all [] have had potentially useful cases, mostly pursued via direct contact and on a target of opportunity basis. Of these, the only ones currently at a deepening stage of personal development are [] direct contacts with officials in the YKBAND and VSYOKE Embassies. brokered by a cooperative journalist asset, and [] direct contacts with VSYOKE Foreign Ministry official DMHORSE and a ZUHORN Trade Mission official. [] more recent developmental cases (QTTIP and QTSMASH), although actively pursued, do not appear promising, but initial cultivation of new leads in other Bloc installations is continuing. [] is making tentative efforts at access agent acquisition or re-direction in the Bloc field rather than stressing direct contact, a realistic view given their limited manpower. [] plans a concerted and broadly based search for new Bloc leads, based on the encouraging results to date with personal contact.

B. []

1. Progress.

a. In December 1973, an American journalist contact (CAEPIDOTE) introduced [] officer and family to a First Secretary in the YKBAND Embassy and a personal relationship has grown over the months. [] has spent two years as a graduate student in America, and considers himself as one of his country's few "American experts." He acts the part of an objective academician and open, frank, and critical discussions of the situation in the Bloc, international communism, and East-West relations have taken place.

b. During a period of assessment of a Bonn correspondent [] of a ZUHORN communist party newspaper, it was observed that there were strains

in his family life because of a reported affair between his wife and a local national. Furthermore, reports from [] indicated that he was possibly recruitable and seemed to be seeking contact with Americans. [] officer was introduced to [] by CAEPIDOTE under suitable cover pretext on 14 May 1974. Good personal and professional rapport was established, based in common substantive interests and background. Unfortunately, little time remained for an active operation against him as he returned to ZUHORN PCS in early July.

c. [] female case officer met a young professional woman [] in the VSYOKE Embassy in November 1973, and since January 1974, has met her on an almost weekly basis to participate in a variety of activities, including dinners, shopping trips, and tennis lessons. She claims the case officer as "her only friend in Germany" and progressively has become more forthcoming with information about background and personal problems. When the case officer returns from a six-month TDY to Headquarters, we intend to deepen this interesting relationship between two young professional women.

d. A former VSYOKE citizen (DMFLUX) presently resident in the FRG, walked into LNFALL and offered his services to BKHERALD. After an initially favorable assessment and expression of Headquarters interest, preparations began for him to make a test mission into VSYOKE. During the preparatory processing, Subject was tested with SGSWIRL and JBMINIMUM, both of which indicated a basic instability. DMFLUX was terminated amicably in July.

e. A lead to a 34-year old ZUHORN biochemist studying in California (ZUCCELL) came to our attention from CATOMIC/36. The latter arranged a chance encounter introduction to a case officer from the U.S. and continues to serve as an assessment window into ZUCCELL, who corresponds regularly. [] has followed up and indications are that ZUCCELL is recruitable.

2. Plans.

a. We will put greater emphasis on Bloc operations during the coming period, with the aim of developing

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direct case officer as well as access agent contact with local Bloc nationals. Selected officers are being given specific instructions to develop personal contact operations with Bloc officials.

b. The assignment of a new OZRAM Consular official to Bonn provides a case with CI potential. This official, a known intelligence officer, has contacted an LNFALL official for the purpose of developing an association begun when both served in consular functions in Bern. We plan to introduce a case officer into this relationship for assessment and development of the OZRAM official.